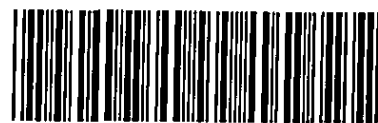


1975246

**MYRRH LIMITED**  
**ANNUAL REPORT AND ACCOUNTS**  
**31 JULY 2006**

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COMPANIES HOUSE

**MYRRH LIMITED**

<b>COMPANY NO</b>	1975246 (England & Wales)
<b>REGISTERED CHARITY NO</b>	293464
<b>DIRECTORS</b>	Mrs Desiree Howells (Chair) Mr Bernard Borland Dr Michael Dulake Ms Pauline Farrell Mr Lloyd Booker Mr Eugene Byrne Ms Cecilia Burnette-Benson Cllr Mrs Daphne Marchant Sr Mary Patricia Mulhall Sr Bernadette Porter
<b>COMPANY SECRETARY</b>	Dr Michael Dulake
<b>REGISTERED OFFICE</b>	52 Ossory Road London SE1 5AN
<b>AUDITORS</b>	Christopher & Co Chartered Accountants Registered Auditors 51a Anson Road Tufnell Park London N7 0AR
<b>BANKERS</b>	Unity Trust Bank Plc Nine Brindley Place 4 Oozells Square Birmingham B1 2HB

**MYRRH LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 July 2006**

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## **MYRRH LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 July 2006**

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The directors present their report and the audited financial statements of the company for the year ended 31 July 2006

#### **Structure, Governance and Management**

##### **Governing Document**

The company is a private company, limited by guarantee and without any share capital. It was incorporated on 6 January 1986 and was registered as a charity on 14 January 1986. It was established under a Memorandum of Association which established the objects and powers of the company and it is governed under its Articles of Association. In the event the company is wound up members are required to contribute an amount not exceeding £1.

##### **Recruitment and Appointment of Directors**

The directors of the company are also charity trustees for the purpose of Charity Law and under the company's Articles are known as members of the Council of Management. Under the requirements of the Memorandum and Articles of Association at each Annual General Meeting one third of the directors for the time being shall retire from the office. The directors to retire are those who have been longest in office since their last election or appointment. As between directors of equal seniority the directors to retire are selected by lot unless they agree otherwise. A retiring director shall be eligible for re-election by the members. The directors may, at the meeting at which a director retires in the manner aforesaid, fill the vacated office by nominating a person thereto, and in default the retiring director shall, on offering himself for re-election, be deemed to have been re-elected, unless it is expressly resolved by the members not to fill such vacated office, or unless a resolution for the re-election of such director shall not have been approved by members.

No person other than a director retiring at the meeting shall be eligible for election as a director at any meeting unless, that person is recommended by the directors for election, or the secretary is given in writing by a member duly qualified to attend and vote at the meeting, not less than 4 or more than 28 intervening days before the date set for the meeting, of that member's intention to propose such person and of that person's willingness to be elected. The company may at General Meeting increase the number of directors, and decide in what rotation the additional directors shall retire, and may make the appointments necessary for effecting any such increase.

##### **Directors Induction and Training**

Most new directors are already familiar with the practical work of the company having visited the college and observed its activities prior to their appointment. Additionally, new directors are briefed regarding directors' powers, duties and obligations and are provided with copies of the Memorandum and Articles of Association, the latest annual report and audited accounts, and other relevant information.

##### **Organisational Structure**

The company has a board of approximately 10 directors who meet regularly throughout the year and are responsible for the strategic direction and policy of the company. In addition there are various sub-committees of directors, with specific responsibilities, who report to the board. At present the board has directors from a variety of professional and ethnic backgrounds relevant to the work of the company.

The chair is responsible for ensuring that the company delivers the services specified and that the key performance indicators are met. The college principal has responsibility for day to day operational management, staff supervision and for ensuring that staff continue to develop their skills and working practices in line with best practice.

##### **Objectives and Activities**

The company's principal objectives continue to be to

- provide training and help, especially to those who find it hard to find suitable training elsewhere,
- improve trainees chances of finding suitable employment locally by providing good quality, inclusive learning experiences and access to recognised qualifications,
- Promote all or any activities for the benefit of the community now or hereafter by law to be charitable

(continued)

## **MYRRH LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 July 2006 (continued)**

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#### **Achievement and Performance**

The directors are pleased to report that the company has continued to achieve its targets with regard to the delivery and quality of educational services provided.

#### **Financial Review**

The net deficit for the year was £156,210 (2005 net deficit £110,421). This deficit was in line with directors' expectations and was primarily due to an increase in premises costs and equipment maintenance undertaken during the year. At the balance sheet date, the debt due to the Learning and Skills Council (LSC) in respect of a shortfall of funding targets in the years ended 31 July 1995 to 1996 amounted to £87,684. Repayments are being made in accordance with a recovery plan agreed with the LSC and it is expected that this balance will be repaid by 31 May 2007.

The directors wish it to be noted that they are pleased with the results for the year and that the company again was able to put reserves to good use in updating and improving the provisions to our students and staff.

#### **Future Developments**

The directors are developing plans to ensure that improvements continue to be made in the company's ability to provide education and training to the highest standards.

#### **Directors**

The directors currently in office and throughout the year, except as stated, were as follows:

Mrs Desiree Howells (Chair)  
Sr Una McCreesh (Resigned 16 March 2006)  
Major Gerard McGough (Resigned 11 September 2006)  
Mr Bernard Borland  
Dr Michael Dulake  
Ms Pauline Farrell  
Mr Lloyd Booker  
Mr Eugene Byrne  
Ms Cecilia Burnette-Benson  
Cllr Mrs Daphne Marchant  
Sr Mary Patricia Mulhall (Appointed 22 November 2005)  
Sr Bernadette Porter (Appointed 22 June 2006)

#### **Directors' Responsibilities**

Company Law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs at the end of its financial year and of its income and expenditure for the year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently,
- make adjustments and estimates that are reasonable and prudent,
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements and,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue to be in business.

The directors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy the company's financial position at any time and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

(continued)

## **MYRRH LIMITED**

### **DIRECTORS' REPORT**

**For the year ended 31 July 2006 (continued)**

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#### **Disclosure of Information to Auditors**

In accordance with company law, as the company's directors, we certify that

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

#### **Risk Management**

The directors have a duty to identify and review the risks to which the company is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error

#### **Fixed Assets**

The movements in fixed assets during the year are set out in note 7

#### **Auditors**

A resolution to reappoint Christopher & Co will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985

The above report has been prepared in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Signed on behalf of the board



Ms Pauline Farrell  
Director

Approved by the Board 30 January 2007

## **MYRRH LIMITED**

### **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MYRRH LIMITED**

We have audited the financial statements of Myrrh Limited for the year ended 31 July 2006 on pages 7 to 13. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Directors and Auditors**

As described on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you on our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

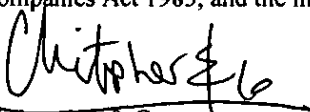
#### **Basis of Audit Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion, the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the company's state of affairs as at 31 July 2006 and of its incoming resources and application of resources, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and the information given in the Report of the Directors is consistent with the financial statements.



Christopher & Co  
Chartered Accountants  
Registered Auditors  
51a Anson Road  
Tufnell Park  
London N7 0AR

Date 30 January 2007

**MYRRH LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**Incorporating the Income and Expenditure Account**  
**For the year ended 31 July 2006**

		<b>Restricted Funds</b>	<b>Unrestricted Funds</b>	<b>2006 Total</b>	<b>2005 Total</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from charitable activities</b>					
Grant Income	2	96,000	1,490,831	1,586,831	1,596,120
<b>Activities for generating funds:</b>					
Interest Receivable		-	19,508	19,508	27,407
Other Income		-	12,391	12,391	14,819
<b>Total Incoming resources</b>		<b>96,000</b>	<b>1,522,730</b>	<b>1,618,730</b>	<b>1,638,346</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds:</b>					
Charitable Activities	3	96,000	1,253,650	1,349,650	1,323,971
Fundraising and publicity	4	-	24,019	24,019	27,809
Governance costs	5	-	401,271	401,271	396,987
<b>Total resources expended</b>	6	<b>96,000</b>	<b>1,678,940</b>	<b>1,774,940</b>	<b>1,748,767</b>
<b>NET DEFICIT FOR THE YEAR</b>		<b>-</b>	<b>(156,210)</b>	<b>(156,210)</b>	<b>(110,421)</b>
<b>TOTAL FUNDS BROUGHT FOWARD</b>		<b>-</b>	<b>806,289</b>	<b>806,289</b>	<b>916,710</b>
<b>TOTAL FUNDS CARRIED FOWARD</b>	10	<b>-</b>	<b>£650,079</b>	<b>£650,079</b>	<b>£806,289</b>

All the company's activities in the above two financial years were derived from continuing operations. The company has no recognised gains or losses other than the income or expenditure for the above two financial years.

The financial statements are comprised of pages 7 to 13

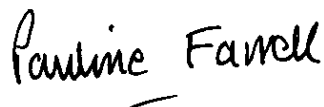


**MYRRH LIMITED****BALANCE SHEET****At 31 July 2006**

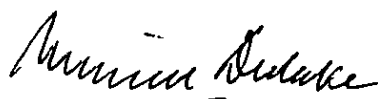
	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible Assets	7	<u>278,304</u>	<u>325,547</u>
<b>CURRENT ASSETS</b>			
Debtors	8	31,492	42,829
Cash at bank and in hand		<u>489,359</u>	<u>685,302</u>
		<u>520,851</u>	<u>728,131</u>
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>(149,076)</u>	<u>(247,389)</u>
<b>NET CURRENT ASSETS</b>		<u>371,775</u>	<u>480,742</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>650,079</u>	<u>806,289</u>
<b>TOTAL FUNDS</b>	10	<u>£650,079</u>	<u>£806,289</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2005)

Signed on behalf of the  
Board of Directors



Ms Pauline Farrell  
Director



Dr Michael Dulake  
Director

Approved by the board on 30 January 2007

The financial statements are comprised of pages 7 to 13

## **MYRRH LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 July 2006**

---

#### **1 ACCOUNTING POLICIES**

##### **a) Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005) issued in March 2005 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

##### **b) Incoming resources**

The annual allocation from the LSC, which is intended to meet recurrent costs, is credited to the statement of financial activities in accordance with funding achieved in the year. Any retrospective adjustments made by the LSC are reflected as soon as the company is made aware of them.

Restricted funds represent funds received which are to be used for a specific purpose. Unrestricted funds can be used to carry out any of the company's objectives.

Income from contracts, and other services rendered is included to the extent of the completion of the contract or service concerned.

##### **c) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Expenditure is classified under the principal categories of charitable and other expenditure rather than the type of expense, in order to provide more useful information.

Charitable expenditure comprises direct expenditure attributable to the provision of Education and includes an allocation of overheads consistent with use of the resources.

Governance costs include those costs which relate to the charity's compliance with constitutional and statutory requirements and include audit fees, legal and professional fees, and the costs of the senior management team and related office costs.

##### **d) Tangible fixed assets**

Equipment costing less than £500 per individual item is written off to the income and expenditure account in the year of acquisition, unless part of a major refit. All other equipment is capitalised at cost.

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life:

Leasehold building	-2% straight line on cost
Plant and equipment	-20% straight line on cost
Motor vehicles	-20% straight line on cost

(Continued)

**MYRRH LIMITED****NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 July 2006 (continued)****1 ACCOUNTING POLICIES (continued)****e) Taxation**

As an exempt charity the company benefits by being exempt from corporation tax on income it receives from tuition fees, interest and rents

The company is exempted from levying VAT on most of the services it provides to students and is not registered for VAT. For this reason the company is unable to recover input VAT it suffers on goods and services purchased

**2 GRANT INCOME**

	2006 £	2005 £
Learning and Skills Council	<u>1,586,831</u>	<u>1,596,120</u>

**3 CHARITABLE ACTIVITIES – Education Services**

Charitable Expenditure	Restricted Funds £	Unrestricted Funds £	Total 2006 £	Total 2005 £
Teaching Staff Costs	-	722,196	722,196	744,529
Teaching Expenses	96,000	90,409	186,409	188,798
General Education Expenditure	-	72,667	72,667	54,679
<b>Support Cost</b>				
Premises & Equipment Costs	-	185,619	185,619	165,563
Support Staff Costs	-	175,270	175,270	164,606
Support Service Expenses	-	7,489	7,489	5,796
	<u>£96,000</u>	<u>£1,253,650</u>	<u>£1,349,650</u>	<u>£1,323,971</u>

**4 FUNDRAISING AND PUBLICITY**

	Restricted Funds £	Unrestricted Funds £	Total 2006 £	Total 2005 £
Advertising	-	24,019	24,019	27,809
	<u>-</u>	<u>24,019</u>	<u>24,019</u>	<u>27,809</u>

**MYRRH LIMITED**

**NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 July 2006 (continued)**

**5 GOVERNANCE COSTS**

<b>Governance costs</b>	<b>Restricted Funds £</b>	<b>Unrestricted Funds £</b>	<b>Total 2006 £</b>	<b>Total 2005 £</b>
Salaries and office costs	-	335,141	335,141	329,458
Legal and Professional Fees	-	58,175	58,175	59,526
Audit Fees	-	7,956	7,956	8,003
	<u>-</u>	<u>£401,272</u>	<u>£401,272</u>	<u>£396,987</u>

**6 TOTAL RESOURCES EXPENDED**

	<b>Staff Costs £</b>	<b>Depreciation £</b>	<b>Other Costs £</b>	<b>Total £</b>
Education Services	897,466	59,299	392,885	1,349,650
Fundraising and Publicity	-	-	24,019	24,019
Governance costs	242,226	-	159,045	401,271
	<u>£ 1,139,692</u>	<u>£59,299</u>	<u>£575,949</u>	<u>£1,774,940</u>

**Staff Costs**

	<b>2006 £</b>	<b>2005 £</b>
Wages and Salaries	984,851	987,972
Social Security Costs	87,994	86,174
Pension Costs	66,847	65,798
	<u>£1,139,692</u>	<u>£1,139,944</u>

**Other Costs**

	<b>2006 £</b>	<b>2005 £</b>
Premises	185,619	165,563
Miscellaneous	390,330	384,197
	<u>£575,949</u>	<u>£ 549,760</u>

The average number of employees analysed by function,  
was

	<b>2006 Number</b>	<b>2005 Number</b>
Education Services	25	25
Governance	5	5
	<u>30</u>	<u>30</u>

Number of employees who earned between £60,000 and £70,000

<u>-</u>	<u>1</u>
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**MYRRH LIMITED****NOTES TO FINANCIAL STATEMENTS**  
**For the year ended 31 July 2006 (continued)****7 TANGIBLE FIXED ASSETS**

	<b>Property</b>	<b>Plant and Equipment</b>	<b>Motor Vehicles</b>	<b>Total</b>
<b>COST</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At beginning of year	212,000	369,501	3,284	584,785
Additions in year	-	13,368	-	13,368
Disposals	-	(9,277)	-	(9,277)
At 31 July 2006	212,000	373,592	3,284	588,876
<b>DEPRECIATION</b>				
At beginning of year	31,920	224,035	3,283	259,238
Charge for year	3,240	56,059	-	59,299
Disposals	-	(7,965)	-	(7,965)
At 31 July 2006	35,160	272,129	3,283	310,572
<b>NET BOOK VALUE</b>				
At 31 July 2006	<b>£176,840</b>	<b>£101,463</b>	<b>£1</b>	<b>£278,304</b>
At 31 July 2005	<b>£ 180,080</b>	<b>£145,466</b>	<b>£1</b>	<b>£325,547</b>

**8 DEBTORS: Amounts Falling Due Within One Year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Prepayments and Accrued Income	31,492	42,829
	<b>£ 31,492</b>	<b>£ 42,829</b>

**9 CREDITORS: Amounts Falling Due Within One Year**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Trade Creditors	22,682	35,419
Payments Received on Account	87,684	175,368
Other Taxation and Social Security	27,084	27,293
Accruals	11,626	9,309
	<b>£ 149,076</b>	<b>£247,389</b>

## **MYRRH LIMITED**

### **NOTES TO FINANCIAL STATEMENTS** **For the year ended 31 July 2006 (continued)**

---

#### **10 UNRESTRICTED FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
At beginning of year	806,289	916,710
Net deficit for the year	(156,210)	(110,421)
At 31 July 2006	<u><b>£ 650,079</b></u>	<u><b>£806,289</b></u>

#### **11 SHARE CAPITAL**

The company is limited by guarantee and does not have a share capital. Each member's guarantee is limited to £1.

#### **12 RELATED PARTY TRANSACTIONS**

No director received any remuneration during the year, or had any personal interest in any contract or transaction entered into by the company during the year (2005 Nil).

#### **13 COMMITMENTS AND CONTINGENT LIABILITIES**

There were no capital commitments or contingent liabilities at the balance sheet date. The company occupies one of its premises under a 5 year lease which commenced in February 2006. The rent is £55,000 per annum, index linked.

**THESE NOTES FORM AN INTEGRAL PART OF THE FINANCIAL STATEMENTS**